

## Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 EA-12 ISO-00 USIE-00 SSO-00 NSCE-00

AID-05 CIAE-00 COME-00 FRB-01 INR-07 NSAE-00

XMB-04 OPIC-06 SP-02 LAB-04 SIL-01 OMB-01 SS-15

STR-05 CEA-01 L-03 H-02 PA-02 PRS-01 ITC-01

INRE-00 /094 W

-----123749 220953Z /15

O R 220820Z DEC 77

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC IMMEDIATE 3780

TREASURY DEPT WASHDC IMMEDIATE

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

UNCLAS TOKYO 19644

NOTIFY TREASURY DAS WIDMAN 7:00 A.M. DEC 22 WASHINGTON  
TIME

USEEC

USOECN ALSO FOR EMBASSY

E.O. 11652: N/A

TAGS: EFIN, JA

SUBJECT: PRESIDENT'S STATEMENT ON U.S. BALANCE OF PAYMENTS AND  
EXCHANGE MARKET POLICY: OFFICIAL PUBLIC REACTION

1. SUMMARY: GOJ OFFICIALS PUBLICLY WELCOME PRESIDENT'S  
STATEMENT ON THE DOLLAR, WITH SOME FAIRLY LIGHT-HANDED  
SUGGESTIONS THAT IT HAS NOT BEEN JUST THE YEN AND THE DMARK  
WHICH HAVE BEEN APPRECIATING AGAINST THE DOLLAR AND THAT  
JUDGMENT HAS TO BE WITHHELD ON THE LONG-RUN ADEQUACY OF  
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ACTIONS ANNOUNCED. END SUMMARY.

2. FOLLOWING RECAPS JAPANESE OFFICIAL PUBLIC REACTION TO  
PRESIDENTIAL STATEMENT ON U.S. BALANCE OF PAYMENTS AND  
EXCHANGE MARKET POLICY RELEASED DEC 21 IN WASHINGTON, BASED  
ON TICKER AND PRESS REPORTS:

-- PRIME MINISTER FUKUDA: "IT IS A GOOD THING.  
IT WAS SOMETHING THAT HAD TO BE DONE SOONER OR LATER."  
HE IS ALSO REPORTED TO HAVE TOLD REPORTERS THAT THE  
STATEMENT WOULD BRING ABOUT A GOOD EFFECT NOT ONLY ON  
THE YEN BUT EUROPEAN CURRENCIES AS WELL.

-- CHIEF CABINET SECRETARY ABE IS REPORTD TO HAVE  
WELCOMED THE U.S. DECISION. SAYING HE HAD YET TO STUDY THE  
DETAILS OF THE PRESIDENT'S STATMENT, ABE IS QUOTED AS  
GOING ON TO SAY "NOT ONLY THE YEN BUT THE GERMAN MARK, FOUND  
STERLING AND SWISS FRANC HAVE APPRCIATED AGAINST THE  
DOLLAR. A STABLE DOLLAR WOULD BE DEIRABLE FOR THE  
STABILITY OF THE WORLD ECONOMY."

-- MINISTRY OF FINANCE AND BANK OF JAPAN SPOKESMEN ARE  
REPORTED AS SAYING (IN EMBELLISHMENT OF STATEMENT  
WELCOMING THE PRESIDENT'S STATEMENT) THAT IN THE SHORT  
RANGE, THE U.S. ADMINISTRATION'S CLARIFICATION OF POLICIES  
WOULD HELP STEM THE DOLLAR'S CONTINUED SLIDE INVALUE. BUT  
IN THE LONG RUN, THEY SAID, IT WOULD BE TOO EARLY TO CONCLUDE  
THAT THE LATEST U.S. ACTION WOULD STABILIZE THE VALUE OF THE  
DOLLAR AND SETTLE THE UNEASY MONETARY SITUATION. THE  
SPOKESMEN ARE REPORTED AS ADDING THAT DESPITE THE U.S. STATE-  
MENT, THE BASIC FACTOR BEHIND THE DOLLAR'S WEAKNESS -- THE  
HUGE U.S. TRADE DEFICIT -- WAS STILL THERE.

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-- UNSPECIFIED JAPANESE MONETARY OFFICIALS ARE  
REPORTED SEPARATELY AS ADMITTING THAT, WHILE THE YEN'S  
UPSURGE AGAINST THE DOLLAR THIS YEAR WAS PRIMARILY CAUSED  
BY JAPAN'S MASSIVE CURRENT ACCOUNT SURPLUS, IT WAS  
PRECIPITATED BY THE U.S. GOVERNMENT'S FAILURE TO COME OUT  
WITH A POSITIVE POSTURE TO DEFEND THE DOLLAR'S VALUE.

3. GENERAL ACCURACY OF PRIME MINISTER AND ABE STATMENTS  
HAS BEEN CONFIRMED.

MANSFIELD

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Executive Order:** N/A  
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**Original Classification:** UNCLASSIFIED  
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**Status:** NATIVE  
**Subject:** PRESIDENT'S STATEMENT ON U.S. BALANCE OF PAYMENTS AND EXCHANGE MARKET POLICY: OFFICIAL PUBLIC REACTION  
**TAGS:** EFIN, JA  
**To:** STATE TRSY  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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